

## KANSAS RACING AND GAMING COMMISSION

### MINUTES – APRIL 15, 2016

CALL TO ORDER  
(A.)

Chairman Brandon Jones called the April 15, 2016, meeting to order at 9:00 a.m. The meeting was held in the East Tower Conference Room of the Eisenhower State Office Building in Topeka, KS. Commissioners Dennis McKinney, David Moses and Jan Kessinger were also present. Others present included Executive Director Don Brownlee, General Counsel Judith Taylor, Director of Administration, Finance, and Audit Brandi White, Director of IT and Electronic Security Dennis Bachman, Director of Security Larry Moreland, Recording Secretary Chris Vega and other staff.

MOTION, APPROVE  
AGENDA  
(B.)

Commissioner Moses (Kessinger) moved to approve the agenda. Motion carried unanimously.

MOTION, APPROVE  
MARCH 11, 2016 MEETING  
MINUTES  
(C.)

Commissioner Kessinger (McKinney) moved to approve the minutes of the March 11, 2016 meeting. Motion carried unanimously.

MOTION, APPROVE  
CONSENT AGENDA  
(D.)

Commissioner Kessinger (McKinney) moved to approve the consent agenda. Motion carried unanimously.

LOTTERY GAMING  
FACILITY  
REPORTS/ITEMS; BOOT  
HILL CASINO AND  
RESORT  
(E.1.)

Diane Giardine, General Manager, reported:

- March 2016 revenue numbers compared to March 2015:
  - Total gaming revenue down 12.15%
  - Total slot revenue down 11.56%
  - Table games revenue down 16.33%
- Past casino promotions and arena events:
  - March 17 – Rascal Flatts
  - March 18 – Lucky Cash Giveaway
  - Mondays in March – Seniors Take 10 promotion
  - March 27 – Easter Brunch Buffet at Firesides
  - April 10 – Tenth Avenue North
- Upcoming casino promotions and arena events:
  - April 16 – Dodge City Law Football
  - April 18 – Tax Day cash bonus
  - April 22 – Mustang Madness

- April 30 – Mustang Madness
- April 30 – Dodge City Law Football
- May 18 – The Beach Boys
- August 25 - Styx

LOTTERY GAMING  
FACILITY  
REPORTS/ITEMS; KANSAS  
STAR  
(E.2.)

Dan Ihm, General Manager, reported:

- March 2016 admissions were up .3% from March 2015.
- March 2016 revenue numbers compared to March 2015:
  - Total gaming revenue down 1.6%
  - Slot coin-in (handle) down 3.8%
  - Slot hold up .26 points
  - Table game drop down 11.3%
  - Table game hold up 1.3 points
  - Poker room revenue down 2.9%
- Past events at the Kansas Star Casino Arena:
  - March 12 – John Mueller’s Winter Dance Party (Buddy Holly Tribute Show)
  - April 14 – Adam Ferrara
- Upcoming events at the Kansas Star Casino Events Center:
  - April 16 – Foreigner
  - April 21 – Todd Barry (comedian)
  - April 23 – Asian Variety Show
  - April 28 – Taylor Williamson (comedian)
  - April 30 – EFC (Evolution Fighting Championship)

LOTTERY GAMING  
FACILITY  
REPORTS/ITEMS;  
HOLLYWOOD CASINO AT  
KANSAS SPEEDWAY  
(E.3.)

Rick Skinner, General Manager, reported:

- March 2016 revenue numbers compared to March 2015:
  - Total gaming revenue was \$12.9 million, an increase of \$165,000.00 or 1.3%
  - Table games revenue was \$1.9 million, which was even with prior year
  - Slot revenue was \$11 million, an increase of \$165,000.00 or 1.5%.
- Upcoming events at Hollywood Casino at Kansas Speedway:
  - April 15 – Grand Prize drawing for “Lights, Camera, Cash” giveaway will take place at 8:00 p.m. with the top prize winner receiving \$15,000.00 in cash.
  - May 6 – Camping World Truck Series Toyota Tundra 250
  - May 7 – Sprint Series Go Bowling 400

COMMISSION ITEMS –  
OLD BUSINESS;  
(F.)

There were no old business items to discuss.

COMMISSION ITEMS –  
NEW BUSINESS;  
QUARTERLY REPORTS ON  
STAFF OUT-OF-STATE  
TRAVEL, LICENSING, AND  
ILLEGAL GAMBLING  
(G.1.)

Executive Director Brownlee reported on staff out-of-state travel, licensing and illegal gambling for the first quarter of 2016.

COMMISSION ITEMS –  
NEW BUSINESS;  
INTERNAL AUDIT  
STANDARDS  
REGULATIONS  
(G.2.)

Executive Director Brownlee presented the Internal Audit Standards Regulations and sought approval to proceed with the regulatory change process.

MOTION

Commissioner Moses (Kessinger) moved the commission proceed with the regulatory change process. Chairman Jones, Commissioner Moses and Commissioner Kessinger voted “aye”. Commissioner McKinney voted “no”. Motion carried 3 to 1.

COMMISSION ITEMS –  
NEW BUSINESS;  
ESTABLISHING A CHECK  
CASHING LIMIT  
(G.3.)

Brandi White presented a casino request to establish a check cashing limit for known patrons to reduce the casinos costs related to check verification services. The commission was asked to decide whether or not the proposed alternative check cashing procedure would be an extension of credit and a violation of K.S.A. 74-8765(c).

MOTION

Commissioner Moses (Kessinger) moved the commission to require KRGC staff to move forward with working with the casinos to develop such a check cashing procedure and ensure two requirements are met: (1) checks are deposited promptly and (2) any losses accrued to the casino operator do not affect state revenues. Motion carried unanimously.

PUBLIC COMMENTS  
(H.)

There were no public comments.

STAFF REPORTS  
(I.)

Michelle Neis, Enforcement Attorney, reported on the Voluntary Exclusion Program statistics for the month of March 2016.

Executive Director Brownlee reported:

- Kevin Mullally with GLI was in attendance at this meeting.
- Kansas Crossing Casino will begin construction soon with an anticipated completion/opening date of April 2, 2017.
- The next commission meeting will be May 13, 2016 at 10:00 a.m. at the United Wireless Arena and Conference Center in Dodge City, KS.

DISCIPLINARY REVIEW  
PROCEEDINGS  
(J.)

There were no Disciplinary Review Board matters.

MOTION, EXECUTIVE  
SESSIONS  
(K.)

Chairman Jones moved for the commission to go into executive session for the purpose of (1) attorney/client privilege, and (2) reviewing the list of confidential backgrounds for licensing. Those included in the executive sessions were the commissioners, executive director, general counsel, and the director of security. The total time for the executive sessions was anticipated to be twenty minutes preceded by a five minute break. No action is to be taken in executive session, and the subjects discussed are to be limited as previously described. A full record of this motion is to be maintained as part of the permanent record of the Kansas Racing and Gaming Commission. At the conclusion of the executive session, the meeting is to be continued in open session. Chairman Kessinger (Moses) made a motion to adjourn to executive session. The motion carried unanimously and the meeting was adjourned to executive session at 10:35 a.m.

RECONVENE

The commission meeting returned to open session at 11:03 a.m. with all members present.

MOTION TO DENY,  
CONDITIONALLY  
APPROVE, AND APPROVE  
LICENSE APPLICATIONS  
(L.)

Commissioner Kessinger (McKinney) moved to *deny* six license applications, *conditionally approve* three license applications, and *approve* the remaining 106 license applications from the April 15, 2016 list of background reports referred to the commission for action. Motion carried unanimously.

ADJOURN  
(M.)

Chairman Jones declared the meeting adjourned at 11:06 a.m.

SUBMITTED BY:

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Dennis McKinney  
Commissioner

APPROVED BY:

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Brandon Jones  
Chairman